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PROBABLE DEVELOPMENTS IN SOVIET-SATELLITE RELATIONS

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 27 November 1956. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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Mr. Stanley W. Kyllis
Chief, Classification Review Division
Office of Information Services
Directorate of Administration
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Washington, D.C. 20505

Dear Stan:

James Emerson, in his letter of August 1, 1985, informing us of the CIA's review of Volume VI, 1955-1957, FROG, stated that the CIA had cleared SNIE 12-3-56, but wished to be notified if we obtained the concurrence of the other agencies involved so that the record copy could be marked. We have now obtained the concurrence of the Department of Defense for all of its participants in the NIE program, so all of the agencies involved have therefore agreed to its release.

Sincerely,

Dwight R. Ambach
Director, Systematic Review
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PROBABLE DEVELOPMENTS IN SOVIET-SATELLITE RELATIONS

THE PROBLEM

To examine the implications of current developments in Poland and Hungary for Soviet policy and future relations with the Eastern European Satellites.

CONCLUSIONS

1. Recent developments in Poland and Hungary have brought to the fore a basic problem of Soviet leadership — that of revising its system of control over the Satellites. We believe that the Soviet leadership is subject to contradictory pressures on this problem, and is still undecided as to the best solution. We cannot predict with confidence what course will be adopted.

2. Given the vital character of the interests involved, the Soviet leaders will not seriously consider abdicating their dominant position in Eastern Europe. At the other end of the scale, a full-blown return to the extremes of Stalinist rule is highly unlikely. Thus, the major courses from which the Soviet leaders will have to choose are likely to be the following: (A) a determined policy of firm Soviet repression, but attempting to avoid the extremes of Stalinism; (B) a systematic redefinition of Soviet-Satellite relations based on lesser controls and anticipatory concessions to nationalist sentiment; (C) continuation of the pres-

ent course of expediency, involving shifts between conciliation and repression.

3. For a considerable time at least, the Soviet leaders will probably continue with Course C, which is essentially a postponement of clear decision. It is possible that at any time the situation in Poland, or a change in the Soviet leadership, will lead to a firm adoption of Course A. We believe, however, that in the long run the forces at work, both within and without the Soviet empire, will probably cause the Soviet leaders to accept Course B as the basic pattern for their relations with the Satellite countries.¹ Regardless of which alternative is chosen, the USSR is not likely to be able to create regimes which are politically stable and economically productive and at the same time subject to close Soviet control.

¹ The Special Assistant, Intelligence, Department of State, and the Deputy Director for Intelligence, The Joint Staff, consider that there is insufficient evidence available at present to warrant the estimate that "in the long run, the forces at work both within and without the Soviet empire" will cause the USSR to follow a policy of voluntarily loosening its control over the Satellites and using Poland as a model for the other East European Satellites.

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DISCUSSION

INTRODUCTION

4. The current crisis in Soviet relations with Poland and Hungary is a manifestation of the basic problem which has plagued the Soviet leaders since the death of Stalin. They have sought, by repudiating the extremes of Stalinism and relaxing terroristic controls, to gain popular support and to stimulate party cadres and populations to work more productively. At the same time, they have sought to insure that this process would not lead to indiscipline and unacceptable demands for reform. It was easier to satisfy both of these conflicting goals in the USSR than in the Satellites, where Communist authority was less securely established and where, particularly in Hungary and Poland, Communist leaders had to contend with traditions of intense nationalism and a rise in popular expectations, particularly among the youth.

5. Soviet leaders evidently failed to recognize the strength of anti-Soviet feeling within some of the Satellite Communist parties. They do not seem to have foreseen that the reduction of terror and the rehabilitation of Tito would not only stimulate intraparty criticism but would also involve non-Communists and lead to the expression of anti-Soviet and anti-Communist sentiments. This process led to a breakdown of party unity in Hungary and Poland and an acceleration of the reform movement to a point where Soviet interests were endangered, acutely so in Hungary.

IMMEDIATE PROBLEMS

Hungary

6. By the beginning of November, the USSR faced in Hungary a direct choice between wholesale repression and the emergence of an anti-Soviet, anti-Communist state. The latter would have seriously weakened the Soviet strategic position in Eastern Europe, damaged the prestige of the world Communist movement, and created an unacceptable precedent for other Satellites. Under these circum-

stances, we believe that the diversion provided by the attack on Egypt, while convenient, did not affect the character or the timing of the Soviet resort to military repression in Hungary.

7. In the immediate future, the USSR will face the bitter hostility of the Hungarian people and the probability of considerable disorder within Hungary. The depleted Hungarian party will almost certainly have to rely heavily on direct Soviet support for the formidable tasks of restoring order and undertaking reconstruction. This will, in turn, prevent the claims to independence of any Hungarian government from being accepted by the populace.

8. Once open resistance in Hungary is subdued, the USSR will seek to reconstitute a regime which does not depend obviously on direct Soviet military support. It may estimate that the emergence of such a regime will be facilitated by: (a) a state of physical and psychological exhaustion among Hungarians, (b) disillusionment because support from the West or the UN did not measure up to Hungarian hopes, and (c) economic and limited political concessions, and the introduction of more acceptable personalities into the government.

9. However, for some time to come the USSR is likely to feel that local Communist forces are so weak and unreliable that a loosening of the Soviet hold would risk a new Hungarian attempt to leave the Bloc. The resistance has proven long-lived and determined. Evidence of substantial deportations to the USSR points to the growing likelihood that emergency military measures may have to be supplemented by more permanent and far-reaching repressive measures if the authority of a puppet government is to be established in Hungary. At present, there is no firm basis for estimating the prospects for continued effective resistance in Hungary. We believe that the USSR will not succeed during the next few months in reconstituting a local

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Communist authority able to govern without the presence of Soviet forces in substantially larger numbers than before the outbreak.

10. If the USSR should conclude that it was unable to find any body of indigenous Hungarians able both to establish effective rule over the Hungarian people and to satisfy minimum Soviet requirements, it might be forced to administer the country for a protracted period by military occupation. Such a situation would constitute a clear defeat for the whole policy of relaxation in the Satellites, would pose a latent threat to the uneasy equilibrium in Poland, and would compromise the Bloc's international position.

Poland

11. Poland avoided the fate of Hungary in October because the regime's reform elements were stronger and acted before pressures got out of hand. All the interested parties, i. e., the USSR, the restive population, and factions within the Polish Communist party, were able to accept Gomulka and his program. To the Soviet Union, Gomulka offered a chance without violence of preserving its military position, retaining a major voice in Polish foreign policy, and maintaining in Poland the basic features of "socialism" — one-party rule and a nationalized economy. From the people he was able to gain credence for his promises of internal reform and a greater degree of sovereignty for Poland. To the Polish party, he offered its only means of reducing factionalism, regaining some measure of efficient leadership and authority, and running its own affairs with increased freedom from direct Soviet domination.

12. Despite Gomulka's considerable initial prestige, there are important elements of instability in this compromise. In internal affairs, there are already signs that his regime has come into conflict with disgruntled workers and peasants and particularly with students and intellectuals. Recent events stimulated many expectations — for a removal of Soviet influence, improved living standards, greater freedom, and broader contact with the West — which seem almost certain to be

disappointed. Economic problems are acute and anti-Soviet feelings are high.

13. The USSR has a number of reasons to be suspicious of Polish prospects. The Soviet leaders have probably reconciled themselves only with great difficulty to such measures as the removal of Rokossovsky and his colleagues, Polish feelers for Western credits, the retreat from collectivization, and the exposure of socialism's economic failures. In addition, they must be deeply concerned over the present unruliness of the Polish party and population, as expressed, for example, in the continued independent line of the Polish press and radio, spontaneous de-collectivization, and the appearance of organizations outside effective Communist discipline. Polish divergence from the USSR in a UN vote and signs that the Poles are associating themselves with Tito's campaign against "Stalinism" must extend this concern. Although substantial agreement was apparently reached in the recent Moscow talks, the USSR might decide, if the disturbing trends within Poland are not more effectively checked, that Gomulka lacks either the will or the capability to impose the necessary discipline within the party and the country.

14. It appears clear from the Hungarian example that the USSR would intervene forcibly to prevent a change in Poland's international orientation, and at least in part for that reason, the Poles are unlikely to demand such a change in the near future. It is not clear what steps short of this might induce the USSR to intervene forcibly in Poland. Movements of Soviet forces have had the effect of threatening such intervention during the past month. Because of Poland's strategic importance, the USSR would probably intervene with force in Poland before deterioration went as far as it did in Hungary.

15. If the Soviet leaders do not intervene by force or by threat of force, they will at least attempt to work gradually within the Polish party to restore the influence of elements thought to be more reliable from the Soviet point of view. They are almost certainly apprehensive that the Gomulka regime will strive for a degree of national independence

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unacceptable to them. They probably believe that, over the long run, the present and possible future developments in Poland will give rise to serious dangers to Soviet control in other Satellites. For example, widespread de-collectivization in Poland would be seen by them as detrimental to approved policies in the other Satellites.

OTHER SATELLITES

16. The same basic tension between Soviet requirements and popular demands is present in the other Eastern European Satellites, though in varying and presently less acute forms. Divisions within the other Satellite Communist parties have not developed to the same degree, nor were there good candidates in these parties for the role of Gomulka. Moreover, some of the other Satellites lack a large and vigorous intelligentsia having traditional links with the West. In Czechoslovakia, where a comparable body of students and writers did show some restiveness last May, traditions of greater caution and accommodation with the existing power seem to have prevailed.

17. Nevertheless, within all these Satellites (and particularly in Rumania) anti-Soviet feeling has almost certainly been increased in the wake of the Hungarian repression. The harshness of Soviet repression and lack of Western military support for the Hungarians will discourage armed rebellion, but will probably not prevent anti-Soviet agitation and vigorous expressions of discontent. Much will depend on whether Moscow gives a clear line of direction, since the preservation of Communist party unity and discipline is the first requirement for the stability of these regimes. One important obstacle to extensive further reforms will be the apprehensions of most present Satellite party leaders that such reforms would undermine their own political positions.

EFFECTS ON SOVIET POLICY FOR THE SATELLITES

18. In revising foreign and internal policies in the post-Stalin period, the Soviet leaders appear not to have had any clear picture of

what the effects would be in the Satellites. They apparently felt that a series of controlled reforms and cautious accommodations to local pressures could be undertaken without endangering vital Soviet interests or causing reactions which would require a return to police terror. A difficult reappraisal of Soviet-Satellite relations has, however, almost certainly been necessitated by the serious setback to Soviet prestige in Hungary and by the continued difficulties in evolving a satisfactory and workable formula for both Poland and Hungary. The chances for important shifts in Soviet policy, leadership, or both have markedly increased in view of the serious pressures that are almost certainly now being felt in the Kremlin.

19. On the one hand, events in Hungary have almost certainly led many Stalin-installed leaders in the other Satellites to urge Moscow to adopt a harder line. Such a line of policy almost certainly has strong advocates in the Soviet party. Support for this view within the Soviet leadership itself can be inferred not only from Molotov's known opposition to the rehabilitation of Tito, but also from *Pravda's* denunciation of the Polish reform movement at the moment of Gomulka's accession to power, and from the publication of an anti-Titoist Albanian speech in *Pravda* on the eve of the Gomulka visit to Moscow.

20. On the other hand, an appreciable number of Communist leaders, including some elements of the Soviet leadership, probably believe that the recent difficulties in Poland and Hungary were basically the result not of the new Soviet policies in the post-Stalin period but rather of hesitancy in moving toward a clearly defined new form of association with the Satellites which would be less degrading to them. This line has been expounded explicitly by Tito and the Poles, and appears to have received some support from the Chinese Communists. Moreover, although the desire for greater liberalization on the part of the Satellite populations and the support which they receive from the leaders of many uncommitted states constitutes a less direct form of pressure on the Soviet leadership, Soviet

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foreign policy may be obliged to take more account of these factors in the present world situation.

Alternative Courses

21. Despite these contradictory pressures, there will almost certainly be a consensus among the Soviet leaders that vital Soviet interests demand preservation of Soviet hegemony in the Satellite area. They will almost certainly continue to believe that the USSR's military security requires the forward deployment of Soviet forces there, secure lines of communication to these forces, and utilization of the area for Soviet air defense. Loss of control over the Satellites might find Western power, including a revived Germany, pressing against the Soviet frontiers. A defection of the area from the "socialist camp" would also be seen as a major setback to the Communist cause world wide, and would seriously compromise the effectiveness of Soviet foreign policy in Asia and the Middle East. Economic losses would be a factor of considerable, though not critical importance.

22. Given the vital character of the interests involved, the Soviet leaders will not seriously consider abdicating their dominant position in Eastern Europe. At the other end of the scale, a full-blown return to the extremes of Stalinist rule is highly unlikely. Thus, the major courses of action from which the Soviet leaders will have to choose in dealing with their current difficulties are likely to be the following:

(A) *A determined policy of firm Soviet repression, but attempting to avoid the extremes of Stalinism.* Such a policy would probably involve strengthening the position of the Satellite leaders most subservient to Moscow, imposing a freeze on further concessions to Satellite independence, and attempting either to intimidate Gomulka into modifying his programs or to overthrow his regime in Poland. This policy would require increased dependence on either the Soviet military or the secret police, while at the same time it would increase latent resistance; it would impede any increase in Satellite productive efforts,

would weaken the Soviet campaign to increase political and economic influence outside the Bloc, and might lead to a renewed break with Tito. It might require changes in the Soviet leadership.

(B) *A deliberate and systematic redefinition of Soviet-Satellite relations based on lesser controls and anticipatory concessions to nationalist sentiment.* Such a policy would involve acceptance of Gomulka's Poland as a model for other Satellites; extensive changes in the leadership of other Satellite Communist parties; and a systematic effort gradually to reconstitute Soviet-Satellite relations on the basis of economic interdependence, broad ideological identification, and common strategic interests. Such a policy of loosening — even if gradual and long-term in focus — would weaken the position of entrenched leaders who are loyal to Moscow and often irreplaceable; would probably encourage nationalist elements to over-reach the bounds which the USSR can tolerate; and might create conditions under which some of the Satellites would eventually attempt to dissociate themselves from the Bloc.

(C) *Continuation of the present course of expediency, involving shifts between conciliation and repression.* Such a course, which would be essentially a policy of postponing clear decisions, would seek to stabilize the situation in the Satellites, conceding within broad limits to pressures for change when they become dominant within a Satellite party, but reserving the power and intention to intervene forcibly if the international alignment of any Eastern European state appeared in doubt. Such a course would sanction local variants within the Satellite empire. It would probably not solve the basic problem of reconciling Soviet control with the development of stable and productive regimes in the Satellite area.

23. Basically, Soviet policy during the past few months appears to have followed the third course of maintaining an uneasy balance between conciliation and repression. This policy could continue indefinitely. On the other hand, the recent agreement with Gomulka,

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and even the promises made by the Kadar regime in Hungary, indicate that there must be tendencies within the Soviet leadership to move toward a systematic policy of concession (Course B).

24. However, it is not certain that the practical arguments for a policy of conciliation will prevail over deep-seated tendencies in certain Soviet party and military leaders to fall back on measures of repression when confronted with adversity. Western pressures on the USSR in the wake of the Hungarian uprising and Tito's public attempts to influence Soviet policy may make a policy of conciliation psychologically difficult for the Soviet leadership.

25. We believe that for the present the Soviet leaders are unable or unwilling to exercise a clear option for either a systematic policy of repression (Course A) or of further concessions (Course B). Therefore, they are most likely to continue an indecisive course (Course C). It is possible at any time that the situation in Poland or a change within the Soviet leadership would lead to the adoption of Course A. In the long run, the forces at work both within and without the Soviet empire will probably cause the Soviet leaders to accept Course B as the basic pattern for their relations with the Satellite countries.² Even in this case, the USSR will, when it thinks necessary, insist on a voice in policy-making commensurate with its relative military and economic strength within the Bloc.

26. Regardless of which alternative is chosen, the USSR will almost certainly continue to offer various economic inducements to the Satellites, and will attempt to strengthen Bloc economic ties. There is also likely to be increased intrabloc consultation on a wide range of policy matters. However, any one of the alternative Soviet policies will be confronted with serious practical problems. A policy of conciliation will be handicapped in most Satellites by the difficulty of keeping reform within prescribed limits. A program of repression through puppet regimes will incur some of the disadvantages of Stalinism and will be faced in many areas with the acute problem of finding enough reliable and efficient indigenous party administrators to conduct such a program. A policy of continued improvisation between the two will suffer the disadvantages of each and will encourage and exacerbate intra-Communist friction. Thus over the long run, whatever path is chosen by the USSR in dealing with its Satellites, it is not likely to be able to create regimes which are stable and productive and at the same time subject to close Soviet control.

² The Special Assistant, Intelligence, Department of State, and the Deputy Director for Intelligence, The Joint Staff, consider that there is insufficient evidence available at present to warrant the estimate that "in the long run, the forces at work both within and without the Soviet empire" will cause the USSR to follow a policy of voluntarily loosening its control over the Satellites and using Poland as a model for the other East European Satellites.

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